



MEMORANDUM

TO: Superintendents and Business Officials
FROM: Lance Rhodes, Chief Financial Officer
DATE: August 27, 2010
SUBJECT: Educational Jobs Fund

The federal government recently enacted legislation that will provide Indiana one-time funding to be used for compensation, benefits and support services to retain existing employees, rehire former employees or hire new employees to provide childhood, elementary or secondary educational services.

This memo will assist school corporations in understanding the process for accessing these funds.

Timeline for Funding: The Governor's Office will submit Indiana's application for funding today. (The deadline for applications is September 9, 2010.) The federal approval process, the state receipting of the grant award notification and the establishment of fund numbers and project coding will take approximately four weeks. Assuming this schedule, schools will have the option of making their first draws on the funds in November 2010. All Educational Jobs funds must be expended by September 30, 2012.

Methodology and Distribution: Indiana will allocate shares according to its CY 2010 primary education funding formula as identified in its application for funding under the State Fiscal Stabilization Fund program. The state must ensure proper procedures for complying with federal cash management requirements. Schools may request draws two times per month, or as needed, by submitting an Education Jobs Fund Request Form (attached). Schools are reminded that they may only draw funds that will be expended within the 3 day time frame established by federal regulations. Schools are not allowed to hold or accumulate excess cash reserves of federal money. Schools will be required to submit an Interest Earned Form (attached) if necessary to fulfill federal requirements.

Schools must deposit allocations into Fund 7965-Education Jobs using receipt account 4581-Education Jobs. The funds may not be co-mingled with other state or federal funds. If transfers are necessary, schools must abide by the requirements of I.C. 36-1-8-4.

Individual school allocations can be viewed by accessing <http://www.doe.in.gov/finance>.

Local Uses of Funds: A school may use funds to pay salaries and benefits for teachers and other employees who provide school-level educational and related services. Refer to "Initial Guidance for States on the Education Jobs Fund Program," Section D, Local Use of Funds (D-3) at <http://www2.ed.gov/programs/educationjobsfund/applicant.html>. This statute prohibits the use of Educational Jobs Funds for general administrative expenses.

Reporting and Tracking: As described above, all schools must maintain sufficient records to separately account for the Education Jobs funds. This would include records on compensation and benefits for school personnel retained, rehired or newly hired with these funds by type of position and how those positions advance the goals of educational services for early childhood, elementary and secondary education. The U.S. Department of Education (USDOE) advises that records must be maintained to facilitate an effective audit. Because states must submit annual reports to USDOE that include the number of educational personnel impacted by the Education Jobs funds, it is critical that the Educational Jobs Fund Request Form provided by the Indiana Department of Education be accurately and timely completed.

To fulfill the statutory requirements of the Education Jobs legislation, the Department may also require additional data and reporting from schools throughout the duration of this program. In addition, all schools must comply with quarterly sub-recipient reporting requirements of Section 1512 of the American Recovery and Reinvestment Act and any other reporting requirements established by the USDOE. If additional reporting requirements are established, those will be communicated in a timely manner.

If you have questions, please contact Lance Rhodes at 317-232-9139 or lrhodes@doe.in.gov.